

Town of Vinalhaven

19 Washington School Rd
Vinalhaven, Maine 04863

Phone - 207-863-2042

Cell - 207-266-7806

Fax - 207-863-4393

September 21, 2021

Re: Financial Audit RFP

To Whom it May Concern,

Please find an RFP for Financial Auditing Services for the Town of Vinalhaven. In the early spring of 2021, we were notified that the auditing services firm we have utilized for nearly ten years would no longer be performing municipal audits. We are now looking for interested auditors/firms that are interested in bidding on these services, beginning with our FY 21 Financial Audit.

We are a year-round island community, approximately 12 miles off the coast of Rockland, in Knox County. Our community is heavily dependent on the lobster industry while also being home to many second homeowners and seasonal visitors. Our municipal valuation is over \$512 million while expenditures total \$3.49 million in FY 22. County, MSAD 8, and TIF allocations total an additional \$4.77 million in FY 22.

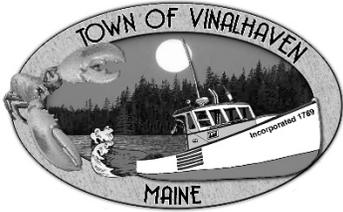
If you are looking to expand your client list, please consider our RFP for financial auditing services. Any questions can be submitted to Andrew Dorr, Town Manager at townmanager@townofvinalhaven.org. Interested auditors/firms are asked to respond to the RFP no later than 3:00 PM on October 8, 2021.

Thank you for considering Vinalhaven as your next client.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Dorr', is written over a horizontal line.

Andrew Dorr
Town Manager



Town of Vinalhaven

19 Washington School Rd
Vinalhaven, Maine 04863

Phone - 207-863-2042

Cell - 207-266-7806

Fax - 207-863-4393

REQUEST FOR PROPOSALS (RFP) AUDITING SERVICES

I. INTRODUCTION

Town of Vinalhaven is requesting proposals from qualified firms of certified accountants for auditing and related services for a three-year period, beginning with the fiscal year ending June 30, 2021. The Town of Vinalhaven reserves the right to extend the contract as it expires a year at a time, if mutually agreeable and the successful bidder agrees to the same terms and prices. Financial statements to be issued will include Town of Vinalhaven general purpose financial statements.

These audits are to be in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, and the State of Maine Department of Audit and Title 30-A M.R.S.A § 5823.

There is no expressed or implied obligation for the Town of Vinalhaven to reimburse responding firms for any expenses incurred in preparing a response to this request.

To be considered, six (6) copies, or one digital copy, of the proposal must be received by the Town of Vinalhaven, Attn: Town Manager, 19 Washington School Rd, Vinalhaven, ME 04863 by 3:00 pm, Friday, October 8, 2021. Proposals received after that date and time will not be accepted. The Town of Vinalhaven reserves the right to reject any or all proposals submitted.

All inquiries concerning the request for proposals should be addressed to Andrew Dorr, Town Manager, for the Town of Vinalhaven, at (207) 863-2042, or via e-mail at townmanager@townofvinalhaven.org. A copy of the latest audit report, dated June 30, 2020, will be posted to our website, www.townofvinalhaven.org.

II. NATURE OF SERVICES REQUIRED

A. General Information

The Town of Vinalhaven is a municipal corporation of the State of Maine with a population of 1,279 as of the 2020 census and a tax commitment of \$7,938,023.60 for fiscal year 2021, which includes the Vinalhaven School (MSAD 8/RSU 8) budget of \$3,865,944.45. The most recent audit of the Town was performed in 2021 for fiscal year ended June 30, 2020.

B. Scope of Work

- i. The Town of Vinalhaven desires an examination of its basic financial statements, conducted in accordance with generally accepted standards, for the purpose of providing an opinion on those statements. The Town of Vinalhaven also desires an examination of its expenditures of Federal Awards, as required by Government Auditing Standards and OMB Circular A-133.
- ii. Reports required by applicable standards laws, common practice and rules and regulations are expected.
- iii. Final reports are to be prepared, completed, and delivered no later than December 15th following the end of the fiscal year, unless otherwise mutually agreed upon.
- iv. The Town Manager will provide all necessary trial balances, reports, bank statements, accounts receivable schedules, accounts payable schedules and other supporting documentation as necessary to properly support the financial statements. Requests for information will be made in a manner that will provide sufficient time to compile while the staff continues their daily activities.

C. Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with the generally accepted Government Auditing Standards, Audit Act of 1984 (amended 1996), and Maine Uniform Accounting and Auditing Practices for Community Agencies.

D. Reports and Communication.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

- i. A report on fair presentation of the financial statements in conformity with generally accepted accounting principles, including opinion on fair presentation of the supplementary schedule of expenditures of federal awards.
- ii. A report on compliance and internal control over financial reporting based on the audit of the financial statements performed in accordance with Government Auditing Standards.
- iii. A report on compliance with requirements to federal programs and internal control over compliance in accordance with OMB Circular A-133 (including a report on the schedule of expenditures of federal awards).
- iv. The auditor shall communicate in a letter to management any material weaknesses and/or reportable conditions found during the audit, with detailed recommendations for possible corrective actions. Definitions of these conditions shall be consistent with professional practice.
- v. Other conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on compliance and internal controls.
- vi. The reports on compliance and internal controls shall include all instances of noncompliance.
- vii. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts.
- viii. Any reports required by the Maine Uniform Accounting and Auditing Practices

for Agencies in any given year.

E. Additional Services

- i. The firm is expected to provide the municipality with information on current developments and professional pronouncements, which could affect its financial operations and management.
- ii. The Town may also require consultation on a variety of auditing, financial reporting, accounting, and payroll related issues, which could arise during the year.
- iii. The firm shall agree to provide copies of its working papers to the Town upon request.
- iv. One (1) unbound hard copy of each report and an electronic version (searchable PDF) of same is to be provided to the Town, as well as twelve (6) bound copies of each.
- v. The firm shall file the Municipal Audit Procedural form and a copy of the auditor's report with the State Department of Audit within thirty (30) days after completion of the audit.
- vi. The firm will complete all necessary sections of the Federal clearinghouse Form SFSAC and submit such reports if applicable.

F. Auditor Review / Separation

Auditor performance will be reviewed after each audit is conducted. If performance is determined to be unacceptable, the Town of Vinalhaven reserves the right not to renew the contract for subsequent years of the three-year contract period.

III. GENERAL INFORMATION

The Town of Vinalhaven currently uses TRIO software for Cash Receipting, Motor Vehicle and Tax Billing. The town utilizes Sage50 for General Ledger and Accounts Payable and uses Bangor Payroll for payroll services.

Interested proposers who wish to review prior years' audit reports should contact Andrew Dorr, Town Manager at 19 Washington School Rd, Vinalhaven, Maine 04863 or (207) 863-2042 or by e-mail: townmanager@townofvinalhaven.org.

IV. MISCELLANEOUS

- A. The Firm will make a general presentation exit conference at request of the Town's Board of Selectmen.
- B. All firms acknowledge and understand that the Town will not pay for any cost incurred by firms in connection with the preparation or submission of a proposal.
- C. The Town of Vinalhaven reserves the right without prejudice to: reject any and all proposals, should it be deemed in the best interest of the Town to do so; make the award, which in its judgement, will best meet the needs of the Town, as expressed in this RFP. The final award decision rests with the Vinalhaven Board of Selectmen.
- D. Submission of a proposal indicates acceptance by the firm of the conditions contained in the RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Vinalhaven and the firm selected.

- E. Pursuant to the state freedom of access act (FOAA), all firms understand that proposals, once submitted to the Town, are public documents and are available for inspection by any interested parties.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

- A. Finance Department and Clerical Assistance
Town staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. Staff will also assist in the preparation of confirmations, if desired by the firm.
- B. Work Area, Telephones, Photocopying and FAX Machines
The Town of Vinalhaven will provide the auditor with reasonable workspace, tables, and chairs. The auditor will also be provided with access to internet service, telephone lines, photocopying facilities and FAX machines for any purpose related to the Town's audit.
- C. Report Preparation
Report preparation, editing and printing shall be the responsibility of the auditor. Town staff will, however, review draft reports prior to final printing.

VI. EVALUATION PROCESS

- A. Audit Firm Selection Committee
Proposals submitted will be evaluated by the Town Manager.
- B. Review and Evaluation of Proposal
The Town Manager shall review and evaluate proposals according to the following criteria:
- Qualifications of the firm,
 - Experience and expertise of proposed staff,
 - Ability to meet deadlines,
 - Knowledge of local governmental accounting practices in Maine,
 - Cost of services

Price will not be the sole determinant in the selection process. The Town of Vinalhaven wishes to select an auditing firm that can best demonstrate its ability to provide quality and value-added services, both at a competitive price.

As part of the review and evaluation process, the Town Manager may request any audit firms to make oral presentations. Such presentations will provide the audit firm with an opportunity to answer questions regarding the proposal. Not all firms may be requested to make oral presentations.

The Town Manager will make a final recommendation to the Vinalhaven Board of Selectmen, who will make the final decision. Following selection, the successful bidder will be notified and will enter into a contract with the Town. The contract will be based on the provisions of this RFP and will describe the terms and conditions under which the audit firm will be appointed, assigned tasks and

compensated.

VII. RESPONSE FORMAT

To facilitate the evaluation and comparison of all proposals, please organize and label your response in the same order as presented in the Statement of Qualifications below. A letter of transmittal should state the firm's understanding of the scope of the audit and contain a firm commitment to meet the audit specifications within the stated time period(s). The letter should also identify the name and position of the person who authorized to bind the firm to a contract.

Six (6) copies of your proposal must be submitted in a sealed envelope marked "INDEPENDENT AUDIT PROPOSAL" AND SUBMITTED TO:

Town of Vinalhaven
Attn: Town Manager
19 Washington School Rd
Vinalhaven, ME 04863

Proposals must be received at the above address not later than 3:00 pm October 8, 2021. Proposals will be publicly opened at that time. It is the bidder's sole responsibility to ensure that the proposal is physically submitted to the Town prior the time and date specified.

VIII. STATEMENT OF QUALIFICATIONS

A. Accounting Firm Qualifications

The Town considers it essential that the selected accounting firm be recognized as having extensive experience and expertise in municipal accounting and auditing. To assist in evaluating expertise, the firm's municipal background and qualifications should be presented.

1. Please provide a general profile of the firm, including information regarding:
 - a. The location of the office from which the audit is to be conducted.
 - b. The number and positions of the various professional staff located at that office.
 - c. The range of services performed by that office, such as audit, accounting, tax, and management services.
2. Please list three (3) municipal clients your firm has and/or currently serves that are similar to the size (population or budget) of Vinalhaven. These references may be asked to comment on the quality and timeliness of the services received by them.

B. Audit

1. Very briefly describe your firm's audit approach to ensure a comprehensive and cost-effective municipal audit.
2. Please identify, by name who will be assigned to the Town of Vinalhaven audit, i.e., the engagement partner, secondary partner, manager, supervisor and senior and staff auditors. Identify how the firm will notify the Town of any change in staff assigned to the Town's audit.

3. For each individual, at senior level or above, indicate the number of years governmental auditing experience, experience with compliance audits, and include their resumes.

C. Timing of Audit Work

Assuming your firm's appointment, provide a timetable of the major events for completion of the June 30, 2021 audit through delivery of your final reports. Please identify any concerns or obstacles.

D. Proposed Fee

Indicate the maximum total fee that will be charged over the term of the contract for the audit services outlined. The Town expects the fee to be a "not to exceed" figure. Should the firm encounter circumstances requiring a change in the scope of the audit, written notice to that effect must be given to the town. The engagement can then be modified by mutual agreement of both parties as to additional work and compensation.

E. General

Briefly describe any other information that might be helpful in evaluating your firm with regards to this request for proposal.



VINAL HAV
PHONG BLOT MAY
HAI PHONG

11/10/2020
11

11/10/2020
11